

# Trabuco Canyon Water District

## Explanation of Charges

### January 2010

Please understand there are a number of charges on your bill that are added together to arrive at the monthly total. These charges are derived from basic costs associated with water and sewer service provided by the District. Please note that if you live in area of the District where there is no sewer service, no charges related to sewer service are included on your bill.

The cost components that comprise the monthly bill from the District can be separated into four distinct areas:

Customer Costs: These are generally water related costs which include meter reading, billing, customer service, and other general administrative functions. These are fixed costs to the District that are distributed equally among all District customers.

Capacity Costs: These are fixed water costs directly related to the capacity of the water system. The water system is designed to meet peak water demands of the customers of the District. The demand that each customer could potentially place on the water system is reflected by the size of the water meter. Capacity costs are allocated to customers based on the size and hydraulic capacity of the water meter. Capacity costs include costs such as, fixed operation costs, capital replacement costs, and debt service.

Commodity Costs: Commodity costs are costs that vary with the amount of actual domestic water consumption. Water supply and pumping are the most significant examples. However water treatment, distribution maintenance, administrative costs and water reservoirs are also treated as variable costs and recovered through commodity rates.

Wastewater Costs: These are costs directly related to cost of wastewater collection, treatment, and disposal, in addition to related administration expenses.

With respect to the actual customer bill which is sent by the District to its customers, there are five separate charges that add up to the total amount due:

**Domestic Water:** This is the actual charge for water supplied during the meter reading cycle. This charge is a commodity cost and is broken down into tiers. This District has eight tiers in its billing system. The Billing Unit (748 gallons) cost of water will increase noticeably beginning in tier four. This is a component of the District's Conservation Encouragement Rate Program (CERP).

**Sewer:** This is a fixed charge for sewer service as noted previously in the Wastewater Costs.

**WR & ES CHG (Water Reliability and Emergency Storage Charge):** This is a charge directly related to capital projects undertaken by the District to ensure water supply reliability and emergency reservoir storage. Specifically, these capital projects include the Well Upgrade Project, participation in the regional Baker Water Treatment Facility, and an additional water storage reservoir. This charge is a capacity cost as identified above, and will be collected over a twenty year period. The amount of this charge is determined by the size of the meter in service.

**Flat Charge:** This is a fixed rate charge for water service as identified in Customer costs above

**Pass Thru Chg (Pass Through Charge):** This is a pass through charge due to the District's loss of a portion of its annual ad valorem property tax. The State diverted this amount of money from the District to deal with the State budget. This charge will only appear for twelve months. The amount of this charge is determined by the size of the meter in service.

When reviewing your water bill, it is important to remember the tiered billing for Domestic Water can impact the total amount due. For purposes of understanding your water consumption history, the District, upon request, can provide any customer with the prior twenty four months of water consumption.

With respect to charges related to meter size, there are some instances in the District when residential customers have meters larger than the most common residential meter sizes of 5/8<sup>th</sup> inch or 3/4<sup>th</sup> inch. While the reasons for the larger meters may vary, the District recognizes that customers with these larger meters may be "wise water users" who do not exceed water usage beyond tier four of the District's water billing system. If this is the case, the District has developed a waiver process for reducing the charge for the WR & ES (Water Reliability and Emergency Storage Charge). You can find this form on our website, under the heading Customer Service, WR&ES Waiver Form.

In the event that you would like to change the size of your water meter to a smaller size, the District can permit this after the following requirements are met;

- 1) Obtain written approval from your local Governing body (The City of Rancho Santa Margarita, The City of Lake Forest, or the County of Orange)
- 2) Obtain written approval from the Orange County Fire Association
- 3) Agree to pay the cost of the meter "change out"

Completed applications can be delivered to Customer Service.

Additional information regarding Trabuco Canyon Water District can be found at the District's website. [www.tcwd.ca.gov](http://www.tcwd.ca.gov)